

Summary of QHWRA and MTCS Actions in FY 1999

August 13, 1999

This communication is only the first step in our effort to provide information about impacts to MTCS in FY 1999 as a result of QHWRA. Later, the MTCS team plans to develop a 'legislation' web page on the MTCS homepage to provide periodic updates of required changes. We will also communicate MTCS changes on Quick Update! and in the monthly News Flash. If you have questions, please post them on the Forums or contact the PIH Information and Resource Center (IRC) at 1-800-955-2232. We will make every effort to answer your questions as we continue our analysis.

The Public Housing Reform Act (contained in the Quality Housing and Work Responsibility Act of 1998 or QHWRA) aims to revitalize and improve HUD's Public Housing and Section 8 assistance programs. Several of the sections of the Act were effective at the time Congress enacted the law, as explained in the Initial Guidance Notice published in the Federal Register, February 18, 1999. This document provides an overview of the sections that affect MTCS in fiscal year (FY) 1999. Please note that HUD intends to conduct consultation sessions with the MTCS user community and make every effort to minimize impacts on PHA software.

Most of the QHWRA provisions identified below do not require a change in MTCS software or a change in data collection on the Form HUD-50058. Yet, to implement Congressional directives, PHAs and vendors, as appropriate, will need to modify their software or change data collection and reporting for summarized sections.

For the Certificate and Voucher merger, HUD published Notice PIH 99-35, which sets the effective date as October 1, 1999. HUD understands this presents PHAs and vendors with a tight implementation timeline. In response, HUD asks PHAs to collect data, if they are unable to successfully transmit electronically, on the hard copy Form HUD-50058 until their software can accommodate these modifications. HUD expects all PHAs to transmit data with the revised formula by January 28, 2000.

HUD will favorably consider written forbearance requests from PHAs unable to meet the 85 percent minimum reporting requirement due to programming changes needed to automate the merger rule implementation. HUD expects PHAs to justify such a forbearance request and demonstrate that they will implement the merger rule software changes to permit full voucher reporting no later than January 28, 2000.

<i>Section of the Act</i>	<i>Summary</i>	<i>Effective Date</i>	<i>MTCS Action</i>
507 – Minimum Rent	Requires minimum rents of up to \$50 for public housing and Section 8 programs. Certain exceptions to the minimum rent requirement apply in hardship circumstances.	10/21/98	<p>For hardship cases, the PHA submits an annual reexamination when it grants the family a 90 day temporary hardship. In line 9h. Minimum TTP, the PHA enters zero.</p> <ul style="list-style-type: none">• If the PHA does not grant the family hardship after 90 days, the PHA submits an interim reexamination with the new minimum TTP (line 9h).• If the family does receive the hardship exemption, the PHA does not need to submit an additional action to MTCS.

<i>Section of the Act</i>	<i>Summary</i>	<i>Effective Date</i>	<i>MTCS Action</i>
509 – Family Self-Sufficiency Program	Clarifies that a PHA's mandatory minimum FSS program size will not increase upon receipt of incremental Section 8 funding or public housing units; and permits PHAs to maintain a smaller than minimum FSS program size obligation as families successfully complete FSS contracts.	10/21/98	PHAs should continue to report FSS families as usual. Failure to submit FSS exits may impact minimum FSS program size obligations.
512d – Welfare Decreased Due to Family Non-compliance	Mandates that a PHA maintain a family's public housing rent or Section 8 tenant-based assistance contribution if the family's welfare income declines due to non-compliance or fraud.	10/21/98	PHAs should not adjust tenant income. Include sanctioned welfare income as actual income when a PHA calculates a tenant's rent payment. Please keep documentation of welfare sanction in tenant file.
513 – Income Targeting	Permits PHAs to admit a mix of families by income, subject to admissions targeting requirements: <ul style="list-style-type: none"> • For Public Housing and Section 8 Moderate Rehabilitation, at least 40 percent of new admissions must have incomes that do not exceed 30 percent of the median income. • For Section 8 Vouchers, at least 75 percent of new admissions must have incomes at or below 30 percent of the median income in that area. 	10/21/98	Beginning October 1, 1999, PHAs should indicate if Public Housing families qualified for admission over the very low income limit on line 4d of the Form HUD-50058. For more information, download the Release of Edits and Validations for Initial Compliance with QHWRA at www.hud.gov/pih/systems/mtcs/pihnf.html Look for an additional communication that instructs you how to handle fungibility.
524 – Occupancy by Police Officers and Over Income Families	Permits police officers and over-income families to reside in public housing. Over-income families can rent units on a month-to-month basis provided they agree to vacate, within 30 days, when the unit is needed for an income eligible family.	10/21/98	PHAs that elect this option should report the affect on occupancy figures in the Form HUD-51234. Otherwise, the PHA may appear to be underreporting families in occupied units.
545 – Merger of Section 8 Certificate and Vouchers	Requires PHAs to merge Section 8 certificate and voucher programs.	10/1/99	Beginning October 1, 1999, PHAs must comply with the new Voucher formula and Certificate rules to avoid receipt of fatal errors. For more information, see summary above and download the Release of Edits and Validations for Initial Compliance with QHWRA at www.hud.gov/pih/systems/mtcs/pihnf.html
548 – Law Enforcement and Security (Section 8)	Permits Section 8 assistance for otherwise ineligible police officers and security personnel to increase security at a Section 8 subsidized project.	10/21/98	Do not report ineligible police officers and security personnel who receive Section 8 assistance to MTCS. (Section 8 Moderate Rehabilitation only)

<i>Section of the Act</i>	<i>Summary</i>	<i>Effective Date</i>	<i>MTCS Action</i>
592 – Use of Assisted Housing by Noncitizens	Permits PHAs to provide financial assistance to an individual or family without verifying eligibility until the date of the family's annual reexamination.	10/21/98	<p>Beginning October 1, 1999, PHAs will receive warning errors for the entry of 'XX' in line 3i. and 'N' in line 3s.</p> <p>If citizenship status is unknown, a PHA should indicate 'PV' on line 3i and 'F' on line 3s.</p> <p>For more information, download the Release of Edits and Validations for Initial Compliance with QHWRA at www.hud.gov/pih/systems/mtcs/pihnf.html</p>